

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	
NORTHERN STATES POWER COMPANY –)	
WISCONSIN to fully comply with)	Case No. U-18264
Public Act 295 of 2008, as amended by)	
Public Act 342 of 2016.)	
_____)	

At the December 7, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 28, 2017, the Commission opened the docket and directed Northern States Power Company-Wisconsin (NSP-W) to file its energy waste reduction (EWR) plan for the 2018 and 2019 calendar years. On July 3, 2017, NSP-W filed an application, with supporting testimony and exhibits, requesting approval of its EWR plan for electric and gas service for the 2018 and 2019 calendar years. On November 3, 2017, NSP-W filed Revised Exhibit A-1.

A prehearing conference was held on August 16, 2017, before Administrative Law Judge Lauren VanSteel. NSP-W and the Commission Staff participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED, that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Northern States Power Company-Wisconsin's energy waste reduction plan for the 2018 and 2019 calendar years is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General – Public Service Division at pungp1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of December 7, 2017.

Kavita Kale, Executive Secretary

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determinations, and/or approval necessary for)	Case No. U-18264
NORTHERN STATES POWER COMPANY –)	
WISCONSIN to fully comply with Public Act)	
295 of 2008, as amended by Public Act 342 of)	
2016.)	

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System's Administrative Rules, R 792.1043, Northern States Power Company, a Wisconsin corporation, ("NSP-W" or the "Company") and the Michigan Public Service Commission ("Commission") Staff ("Staff") agree as follows:

1. On March 28, 2017, the Commission issued its Order in Case No. U-18264, opening the docket in this matter and directing the Company to file its electric and natural gas energy waste reduction plan for the 2018 and 2019 calendar years.

2. On July 3, 2017, the Company filed its application and supporting testimony and exhibits of Lori R. Drilling in Case No. U-18264. This filing also included NSP-W's Provider Notification of Intent to Elect Efficiency United to Offer Energy Waste Reduction Services for 2018-2019.

3. On July 14, 2017, the Commission's Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships and counties in its Michigan electric and gas service areas, as well as to intervenors in Case No. U-17774. Further, the Company was directed to

publish the Notice of Hearing in daily newspapers of general circulation throughout its Michigan electric and gas service areas. On July 25, 2017, the Company electronically filed its affidavit of mailing and proof of publication.

4. On August 16, 2017, Administrative Law Judge Lauren VanSteel conducted a prehearing conference. The Company and Staff participated in the proceeding. There were no intervenors.

5. On November 3, 2017, NSP-W filed Revised Exhibit A-1.

6. The parties have participated in settlement discussions and agree as follows:

a. The Company's energy waste reduction plan for electric and gas meets the requirements of Act 295, as amended by Act 342, is reasonable and in the public interest, and should be approved by the Commission.

b. In connection with electric services, the Company shall pay to the independent program administrator \$290,218 for 2018, and in relation to gas services, the Company shall pay to the independent program administrator \$94,445 for 2018. For 2019, in connection with both electric and gas services, NSP-W's payments to the independent administrator will be 2.00% of actual Michigan 2017 revenues for electric and gas service. Each annual amount shall be paid in equal monthly installments over the applicable calendar year.

c. The Company shall continue to charge the energy waste reduction surcharges for electric and gas services as approved in Case No. U-18334.

d. The Company shall continue to file reconciliations for each calendar year for the preceding calendar year's revenues and costs by March 31. The Company shall file with the Commission an application, including supporting testimony and exhibits: (1) reconciling for the period covered, the revenue billed; with (a) actual costs, i.e. payments made to the program

administrator, for purposes of determining interest on any over-recoveries and under-recoveries; and (b) the levelized revenue requirements, for purposes of determining revised energy waste reduction surcharges; (2) calculating revenue over-recovery or under-recovery in total and by each major customer class; (3) including interest at the Company's short-term borrowing rate on any over-recoveries and under-recoveries; and (4) if appropriate, proposing revised energy waste reduction surcharges, which shall include an amount designed to true-up such reconciliation amounts.

7. All of the signatories are of the opinion that this settlement agreement is reasonable, prudent and will aid in the expeditious conclusion of this case.

8. This settlement agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under MRE 408. If the Commission approves this settlement agreement without modification, neither the parties to the settlement nor the Commission shall make any reference to, or use this settlement agreement or the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this settlement agreement and the order approving it.

9. Pursuant to Rule 431(6) of the Michigan Administrative Hearing System's Administrative Rules, R 792.1043(6) the parties agree any order approving this settlement agreement shall not establish precedent for future proceedings and shall not be used as such. This settlement agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-18264 only. If the Commission approves this settlement

agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this settlement agreement only.

10. This settlement agreement is not severable. Each provision of this settlement agreement is dependent upon all other provisions of this settlement agreement. Failure to comply with any provision of this settlement agreement constitutes failure to comply with the entire settlement agreement. If the Commission rejects or modifies this settlement agreement or any provision of this settlement agreement, this settlement agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation positions of any party.

11. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues in this proceeding, if the Commission approves this settlement agreement without modification.

NORTHERN STATES POWER COMPANY,
a Wisconsin corporation

Sherri A. Wellman

Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman C = AD O =
MillerCanfield
Date: 2017.11.14 15:29:43 -05'00'

Dated: November 14, 2017

By: _____

Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 483-4954

MICHIGAN PUBLIC SERVICE COMMISSION STAFF



Dated: November 14, 2017

By: _____

Its Attorney

Michael J. Orris (P51232)

Assistant Attorney General

Michigan Public Service Commission

Public Service Division

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Lansing, MI 48917

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